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SUBJECT: MEDIA REACTION: U.S.-CHINA MILITARY RELATIONS, U.S. POLICY,
BUY AMERICAN BILL

Editorial Quotes

1. U.S.-CHINA MILITARY RELATIONS

"U.S.-China military discussions will not avoid speaking about the arms sales to Taiwan"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(02/19): "A Chinese military official has recently said that China will request that they discuss the arms sales to Taiwan during the up-coming U.S.-China Defense Coordination Dialogue. The resumption of U.S.-China military contact last week does not mean that arms sales to Taiwan are all right. To improve military relations, the U.S. needs to make substantial improvements on the issue of arms sales to Taiwan. Chinese experts indicate that China should make its stance known during this dialogue and put certain pressure on the U.S. on the issue. In the recent years, the U.S. has become more positive in military exchanges with China. It is always the U.S. who from time to time makes abrupt decisions. Thus the U.S. needs to restrain its behavior a bit."

2. U.S. POLICY

"American economy damages Obama's authority"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(02/19): "American officials have said that the financial crisis has become the greatest security threat to America. The drop in the American stock market shows that, even a stimulus plan of 800\$billion cannot give the American people confidence. The U.S. has upgraded the financial crisis to the level of a national security risk. The process of resolving the crisis has been connected with Obama's personal authority, which reached its maximum before he took office, and is now enduring the challenge of American internal party politics. Chinese experts indicate that American people have overly high expectations for Obama. His glory covers up his laws. In fact, the American people have not lost their confidence in Obama completely. They are just disappointed in the economic situation. Even so, the impact on the American economy, due to their lack of confidence, is severe."

3. BUY AMERICAN BILL

"Trade protectionism is cocaine"

The official Xinhua News Agency international news publication International Herald Leader (Guoji Xianqu Daobao)(02/19): "The Buy American bill has an obvious implication of trade protectionism. In globalization, procurement for infrastructure construction is based on market rules. However, the advance limitation on the scope of procurement violates market rules. To more than 100 non-favorite WTO members, U.S. Law No. 1640 is a piece of negative news. The real harm of trade protectionism will not only affect developing

countries but will damage the world trade system that is ruled by developed countries as well. The U.S., as the biggest economic power, needs to protect its trade. Today it is steel and construction materials, tomorrow it will be textiles, and the day after next it will be food and pharma. Other countries will follow their lead and eventually, this will hurt the free market. The real global economy is affected by America's liberalism. And now, in promoting trade protectionism, America will delay the global economic recovery. Therefore, we can take every measure except for trade protectionism, which is akin and as tempting as cocaine, to recover the world's economy."

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